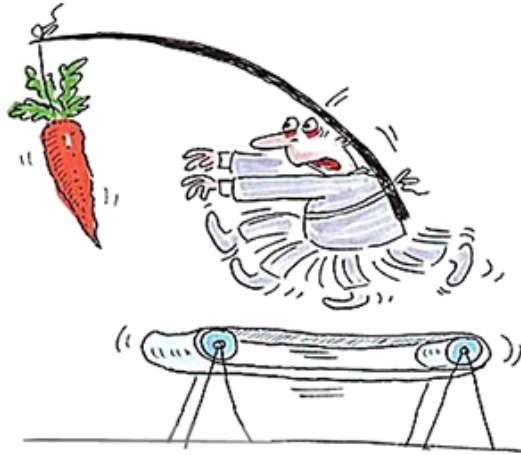


Dear Students,

When you leave MDI, one of the problems you'll face (you may be [facing](#) it already) is the Hedonic Treadmill problem. According to Wikipedia

The hedonic treadmill, also known as hedonic adaptation, is the observed tendency of humans to quickly return to a relatively stable level of happiness despite major positive or negative events or life changes. According to this theory, as a person makes more money, expectations and desires rise in tandem, which results in no permanent gain in happiness.¹



Thanks to (hopefully) a very well-paying paying job, you'll soon be able to afford a lot of "things." And if you don't have enough cash to pay for them, the banking system will recognize that you have un-utilised debt-capacity. You will get a lot of "attractive" offers for credit cards and bankers will approach you to lend you money for pretty much anything you'd want to buy. All of this will mean that it will be difficult for you to resist the desire to [keep up with the Joneses](#).

But resist you must.

You will resist this temptation by recalling the BFBV lessons on the power of compound interest and delayed gratification ([The Marshmallow Experiment](#)).

But you'll need more help than that. And so, I have compiled a few deeply inspirational quotes on the subject. Print them out and read them once every few months and follow the advice contained in them.

The Whistle, by Benjamin Franklin (1779)²

To Madame Brillon,

I received my dear friend's two letters, one for Wednesday and one for Saturday. This is again Wednesday. I do not deserve one for to-day, because I have not answered the former. But, indolent as I am, and averse to writing, the fear of having no more of your pleasing epistles, if I do not contribute to the correspondence, obliges me to take up my pen; and as Mr. B. has kindly sent me word that he sets

out to-morrow to see you, instead of spending this Wednesday evening, as I have done its namesakes, in your delightful company, I sit down to spend it in thinking of you, in writing to you, and in reading over and over again your letters.

I am charmed with your description of Paradise, and with your plan of living there; and I approve much of your conclusion, that, in the meantime, we should draw all the good we can from this world. In my opinion we might all draw more good from it than we do, and suffer less evil, if we would take care not to give too much for whistles.

For to me it seems that most of the unhappy people we meet with are become so by neglect of that caution.

You ask what I mean? You love stories, and will excuse my telling one of myself.

When I was a child of seven years old, my friends, on a holiday, filled my pocket with coppers. I went directly to a shop where they sold toys for children; and being charmed with the sound of a whistle, that I met by the way in the hands of another boy, I voluntarily offered and gave all my money for one.

I then came home, and went whistling all over the house, much pleased with my whistle, but disturbing all the family. My brothers, and sisters, and cousins, understanding the bargain I had made, told me I had given four times as much for it as it was worth; put me in mind what good things I might have bought with the rest of the money; and laughed at me so much for my folly, that I cried with vexation; and the reflection gave me more chagrin than the whistle gave me pleasure.

This, however, was afterwards of use to me, the impression continuing on my mind; so that often, when I was tempted to buy some unnecessary thing, I said to myself, Don't give too much for the whistle; and I saved my money.

As I grew up, came into the world, and observed the actions of men, I thought I met with many, very many, who gave too much for the whistle.

When I saw one too ambitious of court favor, sacrificing his time in attendance on levees, his repose, his liberty, his virtue, and perhaps his friends, to attain it, I have said to myself, this man gives too much for his whistle.

When I saw another fond of popularity, constantly employing himself in political bustles, neglecting his own affairs, and ruining them by that neglect, "He pays, indeed," said I, "too much for his whistle."

If I knew a miser, who gave up every kind of comfortable living, all the pleasure of doing good to others, all the esteem of his fellow-citizens, and the joys of benevolent friendship, for the sake of accumulating wealth, "Poor man," said I, "you pay too much for your whistle."

When I met with a man of pleasure, sacrificing every laudable improvement of the mind, or of his fortune, to mere corporeal sensations, and ruining his health in their pursuit, "Mistaken man," said I, "you are providing pain for yourself, instead of pleasure; you give too much for your whistle."

If I see one fond of appearance, or fine clothes, fine houses, fine furniture, fine equipages, all above his fortune, for which he contracts debts, and ends his career in a prison, "Alas!" say I, "he has paid dear, very dear, for his whistle."

When I see a beautiful sweet-tempered girl married to an ill-natured brute of a husband, "What a pity," say I, "that she should pay so much for a whistle!"

In short, I conceive that great part of the miseries of mankind are brought upon them by the false estimates they have made of the value of things, and by their giving too much for their whistles.

Yet I ought to have charity for these unhappy people, when I consider that, with all this wisdom of which I am boasting, there are certain things in the world so tempting, for example, the apples of King John, which happily are not to be bought; for if they were put to sale by auction, I might very easily be led to ruin myself in the purchase, and find that I had once more given too much for the whistle.

Adieu, my dear friend, and believe me ever yours very sincerely and with unalterable affection.

Benjamin Franklin on Frugality and Debt

So much for industry, my friends, and attention to one's own business; but to these we must add frugality, if we would make our industry more certainly successful. A man may, if he knows not how to save as he gets, keep his nose all his life to the grindstone, and die not worth a groat at last. A fat kitchen makes a lean will.³

Many estates are spent in the getting, Since women for tea forsook spinning and knitting, And men for punch forsook hewing and splitting. If you would be wealthy, says he, in another almanac, think of saving as well as of getting: the Indies have not made Spain rich, because her outgoes are greater than her incomes. Away then with your expensive follies, and you will not have so much cause to complain of hard times, heavy taxes, and chargeable families; for, as Poor Dick says, Women and wine, game and deceit, Make the wealth small, and the wants great.⁴

And farther, what maintains one vice, would bring up two children. You may think perhaps that a little tea, or a little punch now and then, diet a little more costly, clothes a little finer, and a little entertainment now and then, can be no great Matter; but remember what Poor Richard says, many a little makes a mickle, and farther, beware of little expenses; a small leak will sink a great ship, and again, who dainties love, shall beggars prove, and moreover, fools make Feasts, and wise men eat them.⁵

Silks and satins, scarlet and velvets, as Poor Richard says, put out the kitchen fire.⁶

These are not the necessities of life; they can scarcely be called the conveniences, and yet only because they look pretty, how many want to have them. The artificial wants of mankind thus become more numerous than the natural; and, as Poor Dick says, for one poor person, there are an hundred indigent. By these, and other extravagancies, the genteel are reduced to poverty, and forced to borrow of those whom they formerly despised, but who through industry and frugality have maintained their standing; in which case it appears plainly, that a ploughman on his legs is higher than a gentleman on his knees, as Poor Richard says.⁷

Perhaps they have had a small estate left them, which they knew not the getting of; they think 'tis day, and will never be night; that a little to be spent out of so much, is not worth minding; (a child and a fool, as Poor Richard says, imagine twenty shillings and twenty years can never be spent) but, always taking out of the meal-tub, and never putting in, soon comes to the bottom; then, as Poor Dick says, when the well's dry, they know the worth of water.⁸

Pride is as loud a beggar as want, and a great deal more saucy. When you have bought one fine thing you must buy ten more, that your appearance maybe all of a piece; but Poor Dick says, 'tis easier to suppress the first desire than to satisfy all that follow it. And 'tis as truly folly for the poor to ape the rich, as for the frog to swell, in order to equal the ox.⁹

But what madness must it be to run in debt for these superfluities! We are offered, by the terms of this when due, six months' credit; and that perhaps has induced some of us to attend it, because we cannot spare the ready money, and hope now to be fine without it. But, ah, think what you do when you run in debt; you give to another power over your liberty. If you cannot pay at the time, you will be ashamed to see your creditor; you will be in fear when you speak to him, you will make poor pitiful sneaking excuses, and by degrees come to lose you veracity, and sink into base downright lying; for, as Poor Richard says, the second vice is lying, the first is running in debt. And again to the same purpose, lying rides upon debt's back.¹⁰

Poverty often deprives a man of all spirit and virtue: 'tis hard for an empty bag to stand upright.¹¹

What would you think of that Prince, or that government, who should issue an edict forbidding you to dress like a gentleman or a gentlewoman, on pain of imprisonment or servitude? Would you not say, that you are free, have a right to dress as you please, and that such an edict would be a breach of your privileges, and such a government tyrannical? And yet you are about to put yourself under that tyranny when you run in debt for such dress! Your creditor has authority at his pleasure to deprive you of your liberty, by confining you in gaol for life, or to sell you for a servant, if you should not be able to pay him!

When you have got your bargain, you may, perhaps, think little of payment; but creditors, Poor Richard tells us, have better memories than debtors, and in another place says, creditors are a superstitious sect, great observers of set days and times. The day comes round before you are aware, and the demand is made before you are prepared to satisfy it. Or if you bear your debt in mind, the term which at first seemed so long, will, as it lessens, appear extremely short. Time will seem to have added wings to his heels as well as shoulders. Those have a short Lent, saith Poor Richard, who owe money to be paid at Easter.¹²

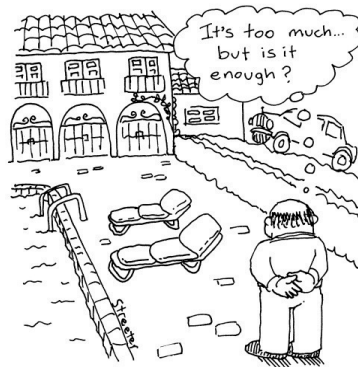
The borrower is a slave to the lender, and the debtor to the creditor, disdain the chain, preserve your freedom; and maintain your independency: be industrious and free; be frugal and free. At present, perhaps, you may think yourself in thriving circumstances, and that you can bear a little extravagance without injury; but, For age and want, save while you may; No morning sun lasts a whole day, as Poor Richard says. Gain may be temporary and uncertain, but ever while you live, expense is constant and certain; and 'tis easier to build two chimneys than to keep one in fuel, as Poor Richard says. So rather go to bed supperless than rise in debt.¹³

There are no gains without pains.¹⁴

Women and wine, game and deceit make the wealth small and the wants great. Many estates are spent in the getting, Since women for tea forsook spinning and knitting, And men for punch forsook hewing and splitting. What maintains one vice would bring up two children.¹⁵

You may think, perhaps, that a little tea, or a little punch now and then, diet a little more costly, clothes a little finer, and a little more entertainment now and then can be no great matter but remember what Poor Richard says "Many a little makes a mickle; beware of little expense for a small leak will sink a great ship."¹⁶

Many a man thinks he is buying pleasure when he is really selling himself a slave to it.¹⁷



There are three faithful friends – An old wife, an old dog, and ready money.¹⁸

He that is of the opinion money will do everything may well be suspected of doing everything for money.¹⁹

Always taking out of the meal tub and never putting in, soon comes to the bottom.²⁰

It is easier to suppress the first desire than to satisfy all that follow it.²¹

If you know how to spend less than you get, you have the Philosophers-Stone.²²

The Art of getting Riches consists very much in THRIFT. All Men are not equally qualified for getting Money, but it is in the Power of everyone alike to practise this Virtue.²³

True economy consists in always making the income exceed the out-go. Wear the old clothes a little longer if necessary; dispense with the new pair of gloves; mend the old dress: live on plainer food if need be; so that, under all circumstances, unless some unforeseen accident occurs, there will be a

margin in favor of the income. A penny here, and a dollar there, placed at interest, goes on accumulating, and in this way the desired result is attained. It requires some training, perhaps, to accomplish this economy, but when once used to it, you will find there is more satisfaction in rational saving than in irrational spending. Here is a recipe which I recommend: I have found it to work an excellent cure for extravagance, and especially for mistaken economy: When you find that you have no surplus at the end of the year, and yet have a good income, I advise you to take a few sheets of paper and form them into a book and mark down every item of expenditure. Post it every day or week in two columns, one headed "necessaries" or even "comforts", and the other headed "luxuries," and you will find that the latter column will be double, treble, and frequently ten times greater than the former. The real comforts of life cost but a small portion of what most of us can earn. Dr. Franklin says "it is the eyes of others and not our own eyes which ruin us. If all the world were blind except myself I should not care for fine clothes or furniture." It is the fear of what Mrs. Grundy may say that keeps the noses of many worthy families to the grindstone. In America many persons like to repeat "we are all free and equal," but it is a great mistake in more senses than one.²⁴

P. T. Barnum on Frugality

Men and women accustomed to gratify every whim and caprice, will find it hard, at first, to cut down their various unnecessary expenses, and will feel it a great self-denial to live in a smaller house than they have been accustomed to, with less expensive furniture, less company, less costly clothing, fewer servants, a less number of balls, parties, theater-goings, carriage-ridings, pleasure excursions, cigar-smokings, liquor-drinkings, and other extravagances; but, after all, if they will try the plan of laying by a "nest-egg," or, in other words, a small sum of money, at interest or judiciously invested in land, they will be surprised at the pleasure to be derived from constantly adding to their little "pile," as well as from all the economical habits which are engendered by this course. The old suit of clothes, and the old bonnet and dress, will answer for another season; the Croton or spring water taste better than champagne; a cold bath and a brisk walk will prove more exhilarating than a ride in the finest coach; a social chat, an evening's reading in the family circle, or an hour's play of "hunt the slipper" and "blind man's buff" will be far more pleasant than a fifty or five hundred dollar party, when the reflection on the difference in cost is indulged in by those who begin to know the pleasures of saving. Thousands of men are kept poor, and tens of thousands are made so after they have acquired quite sufficient to support them well through life, in consequence of laying their plans of living on too broad a platform. Some families expend twenty thousand dollars per annum, and some much more, and would scarcely know how to live on less, while others secure more solid enjoyment frequently on a twentieth part of that amount. Prosperity is a more severe ordeal than adversity, especially sudden prosperity. "Easy come, easy go," is an old and true proverb. A spirit of pride and vanity, when permitted to have full sway, is the undying canker-worm which gnaws the very vitals of a man's worldly possessions, let them be small or great, hundreds, or millions. Many persons, as they begin to prosper, immediately expand their ideas and commence expending for luxuries, until in a short time their expenses swallow up their income, and they become ruined in their ridiculous attempts to keep up appearances, and make a "sensation."²⁵

I know a gentleman of fortune who says, that when he first began to prosper, his wife would have a new and elegant sofa. "That sofa," he says, "cost me thirty thousand dollars!" When the sofa reached the house, it was found necessary to get chairs to match; then side-boards, carpets and tables "to correspond" with them, and so on through the entire stock of furniture; when at last it was found that the house itself was quite too small and old-fashioned for the furniture, and a new one was built to correspond with the new purchases; "thus," added my friend, "summing up an outlay of thirty thousand dollars, caused by that single sofa, and saddling on me, in the shape of servants, equipage, and the necessary expenses attendant upon keeping up a fine 'establishment,' a yearly outlay of eleven thousand dollars, and a tight pinch at that: whereas, ten years ago, we lived with much more real comfort, because with much less care, on as many hundreds. The truth is," he continued, "that sofa would have brought me to inevitable bankruptcy, had not a most unexampled title to prosperity kept me above it, and had I not checked the natural desire to 'cut a dash'.²⁶

A good-looking, lazy young fellow, was the apprentice boy, Horatio. His employer said, "Horatio, did you ever see a snail?" "I—think—I—have," he drawled out. "You must have met him then, for I am sure you never overtook one," said the "boss." Your creditor will meet you or overtake you and say, "Now, my young friend, you agreed to pay me; you have not done it, you must give me your note." You give the note on interest and it commences working against you; "it is a dead horse." The creditor goes to bed at night and wakes up in the morning better off than when he retired to bed, because his interest has increased during the night, but you grow poorer while you are sleeping, for the interest is

accumulating against you.²⁷

Sanjay Bakshi
28 December, 2015

¹ https://en.wikipedia.org/wiki/Hedonic_treadmill

² <http://grammar.about.com/od/60essays/a/whistlessay.htm>

³ Benjamin Franklin, *The Way To Wealth* [Kindle Edition]. loc. 61.

⁴ Benjamin Franklin, *The Way To Wealth* [Kindle Edition]. loc. 64.

⁵ Benjamin Franklin, *The Way To Wealth* [Kindle Edition]. loc. 68.

⁶ Benjamin Franklin, *The Way To Wealth* [Kindle Edition]. loc. 79.

⁷ Benjamin Franklin, *The Way To Wealth* [Kindle Edition]. loc. 79.

⁸ Benjamin Franklin, *The Way To Wealth* [Kindle Edition]. loc. 83.

⁹ Benjamin Franklin, *The Way To Wealth* [Kindle Edition]. loc. 89.

¹⁰ Benjamin Franklin, *The Way To Wealth* [Kindle Edition]. loc. 96.

¹¹ Benjamin Franklin, *The Way To Wealth* [Kindle Edition]. loc. 102.

¹² Benjamin Franklin, *The Way To Wealth* [Kindle Edition]. loc. 103.

¹³ Benjamin Franklin, *The Way To Wealth* [Kindle Edition]. loc. 111.

¹⁴ Benjamin Franklin, *Poor Richard's Almanac* [Kindle Edition]. loc. 27.

¹⁵ Benjamin Franklin, *Poor Richard's Almanac* [Kindle Edition]. loc. 64.

¹⁶ Benjamin Franklin, *Poor Richard's Almanac* [Kindle Edition]. loc. 76.

¹⁷ Benjamin Franklin, *Poor Richard's Almanac* [Kindle Edition]. loc. 131.

¹⁸ Benjamin Franklin, *Poor Richard's Almanac* [Kindle Edition]. loc. 274.

¹⁹ Benjamin Franklin, *Poor Richard's Almanac* [Kindle Edition]. loc. 281.

²⁰ Benjamin Franklin, *Poor Richard's Almanac* [Kindle Edition]. loc. 414.

²¹ Benjamin Franklin, *Poor Richard's Almanac* [Kindle Edition]. loc. 641.

²² Benjamin Franklin, *Poor Richard's Almanac* [Kindle Edition]. loc. 728.

²³ Benjamin Franklin, *Poor Richard's Almanac* [Kindle Edition]. loc. 904.

²⁴ P. T. Barnum, *Art of Money Getting Or, Golden Rules for Making Money* [Kindle Edition]. loc. 47.

²⁵ P. T. Barnum, *Art of Money Getting Or, Golden Rules for Making Money* [Kindle Edition]. loc. 74.

²⁶ P. T. Barnum, *Art of Money Getting Or, Golden Rules for Making Money* [Kindle Edition]. loc. 90.

²⁷ P. T. Barnum, *Art of Money Getting Or, Golden Rules for Making Money* [Kindle Edition]. loc. 205.